

Communication on Progress (COP) report 2017

Covers the period from 01.01.2017 to 31.12.2017
for Green Network A/S

STATEMENT OF CONTINUED SUPPORT FROM CEO

To our stakeholders:

I am pleased to confirm that Green Network A/S reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

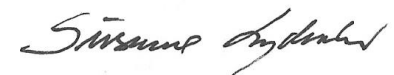
In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication

Green Network is a leading network and company in the market for CSR and sustainability oriented managements services in Denmark.

We have been through a transition from being a publicly owned local environmental network, to now being a privately owned national CSR network with international commitments, e.g. as the DK anchor point to CSR Europe and becoming a UN Global Compact signatory in 2016

We strongly believe that working with CSR and sustainability must be business-driven. The operationalization of our commitment to the UN Global Compact reflect this belief in an extensive implementation, which have peaked by enabling our web based *meassure* platform to measure and document their implementation of the ten Global Compact principles.

This COP report exemplifies the documentation provided by *meassure* and thereby we so speak take our own medicine. We disclose a full performance scoreboard with numeric scores across UNGC sub-topics material to Green Network. This is followed by in-depth elaboration on all the scores by listing the actions taken on each sub-topic. Enjoy the reading!

A handwritten signature in black ink, reading 'Susanne Lydholm'.

Susanne Lydholm,
Managing Director/Owner
Mail: sly@greennetwork.dk

GREEN NETWORKS APPROACH AND CORE CONCEPTS

CSR CAPACITY

- Is the ability to comply with customer demands, legislation etc.
- Is the ability to increase the business benefit of the corporations CSR engagement
- Reflects the ability to integrate CSR broadly in the corporations business

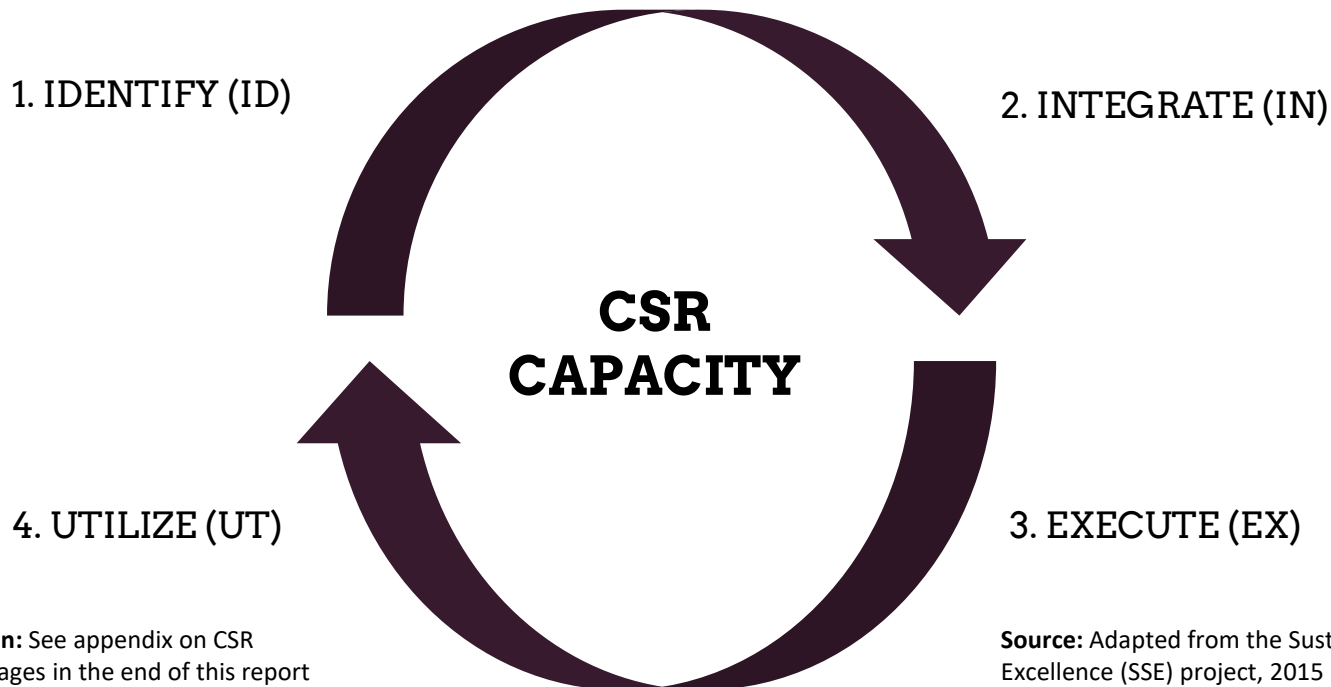
BUSINESS DRIVEN CSR DUE DILIGENCE

- A due diligence process with four stages of an implementation process is fundamental in the measurement of CSR Capacity in companies.
- The four stages encompass both a compliance and an opportunity perspective, a uniform business driven CSR due diligence process

CSR CAPACITY MEASUREMENT - STAGES

The four stages of the implementation process is fundamental in the measurement of CSR Capacity in companies. Each stage marks a stronger corporate behavior and is aligned with due diligence process steps .

Though, these four stages encompass both a compliance and an opportunity perspective, which thereby comprise a management process that corresponds well with e.g. the UN Global Compact management model.

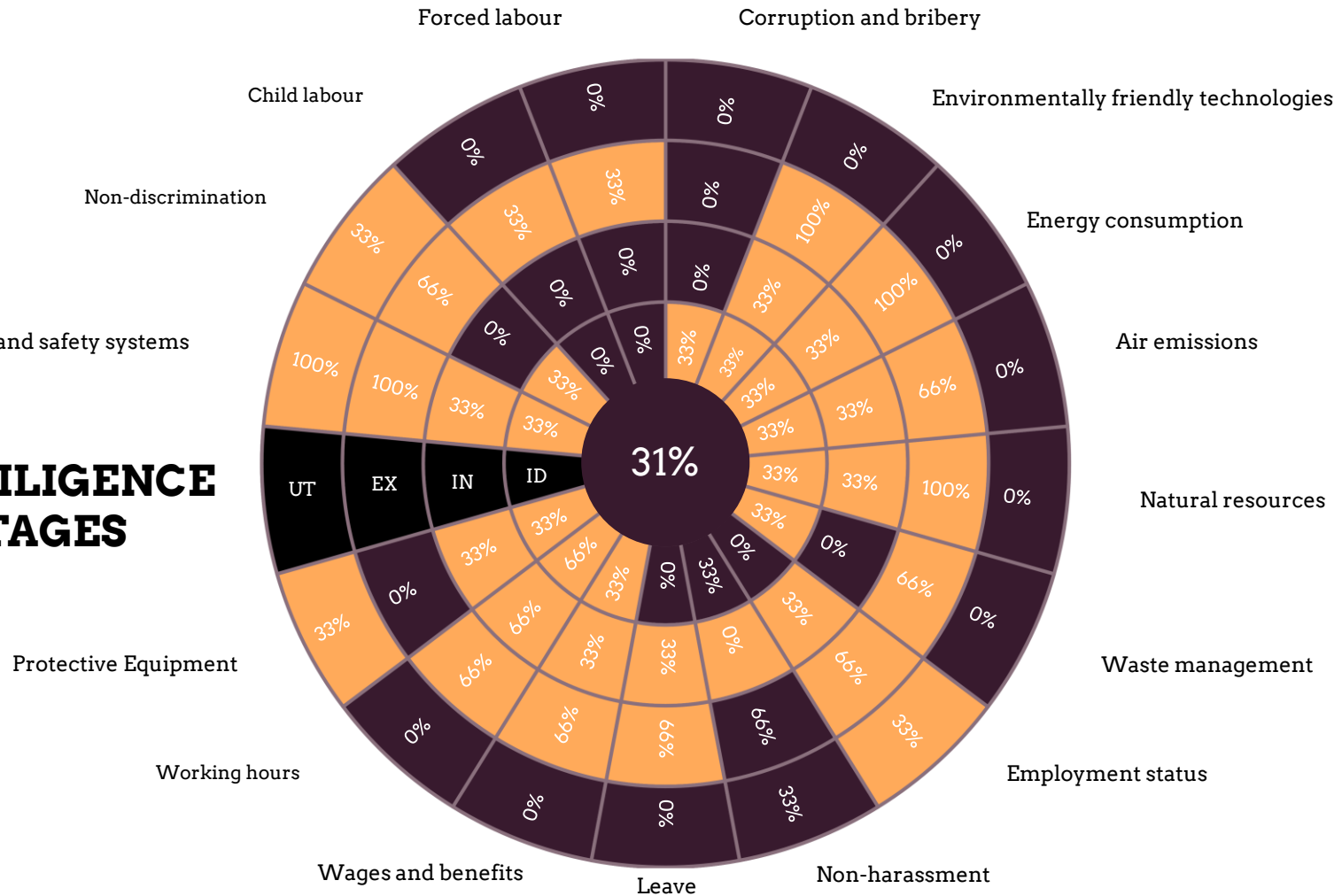


Further elaboration: See appendix on CSR implementation stages in the end of this report

Source: Adapted from the Sustainable Sourcing Excellence (SSE) project, 2015

MEASURE SCORECARD FOR GREEN NETWORK

DUE DILIGENCE STAGES



HUMAN RIGHTS – SUB-TOPICS AND HIGHLIGHTS

MATERIAL SUB-TOPICS

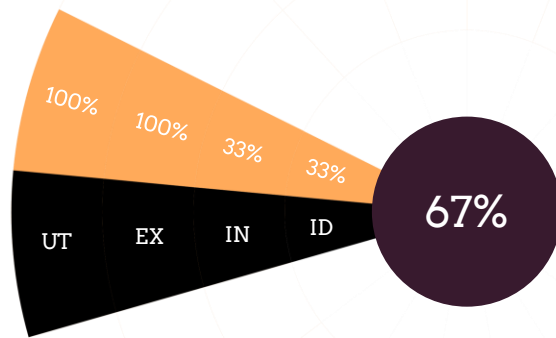
- HEALTH AND SAFETY SYSTEMS
- PROTECTIVE EQUIPMENT AND TRAINING
- WORKING HOURS
- WAGES AND BENEFITS
- LEAVE
- EMPLOYMENT STATUS
- PRODUCT STEWARDSHIP
- NON-HARASSMENT

2017 HIGHLIGHTS

- EHS steering group for GN business partners established – mandata to chose topics for EHS focused network meetings
- Performing multiple networking events on Human Rights issues
- Introducing CSR capacity measurements (incl. Human Rights) to business partners
- Introduction of GN Handbook for employess with policies and on multiple Human Rights issues

HUMAN RIGHTS – HEALTH AND SAFETY SYSTEMS

CAPACITY SCORES



Global Compact on: Health and safety system

“The company should provide safe and healthy working facilities and take appropriate precautionary measures to protect workers from work-related hazards and anticipated dangers in the workplace. Furthermore the company should ensure that any residential facilities provided to workers are safe and sanitary and meet their basic needs. Safety precautions will depend upon the industry and country of operation, company concerns and the needs of vulnerable workers, such as pregnant women.”

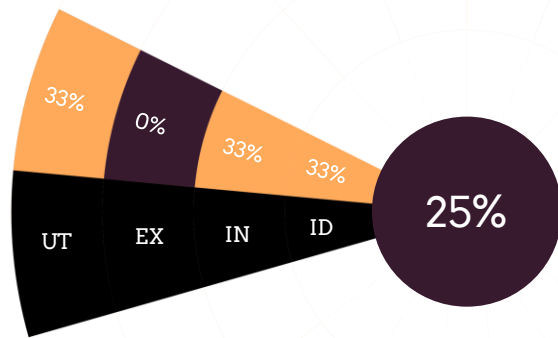
Source: Global Compact Self-Assessment Tool

GN ACTIONS

- Completed work place environment assessment (APV) for GN (mandatory)
- 3 network events for partner companies on issues related to health and safety systems
- 5 work place environment statements reviewed for partner companies

HUMAN RIGHTS

- PROTECTIVE EQUIPMENT AND TRAINING



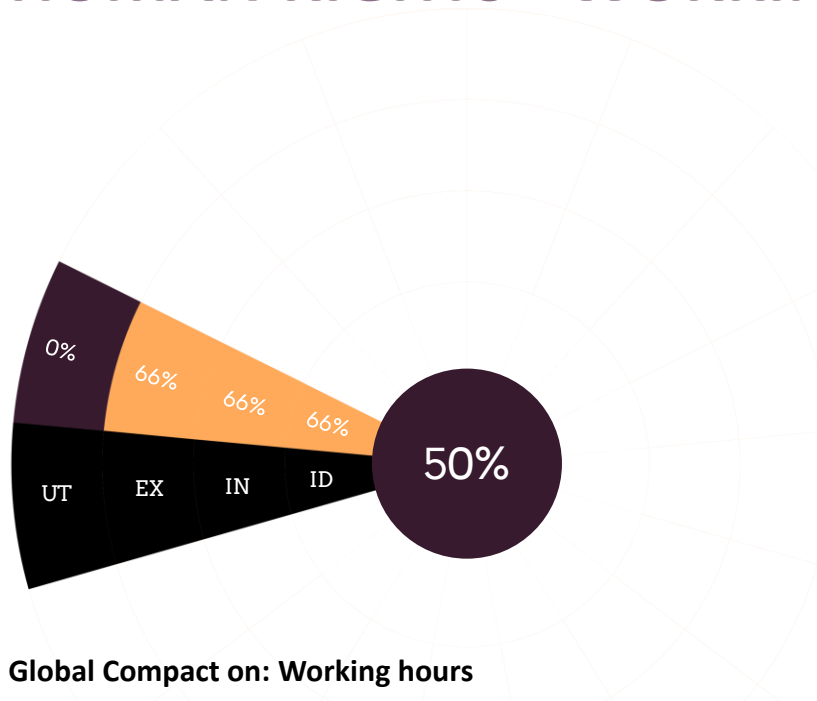
Global Compact on: Protective equipment and training

"All workers must be trained for all tasks for which they are responsible prior to new assignments. Workers should not be exposed to harmful processes, chemicals, substances or techniques. When exposure is unavoidable, all workers exposed must be provided with the necessary protective equipment at no cost. Workers should be protected against processes, substances and techniques, which are obnoxious, unhealthy, toxic or harmful."

Source: Global Compact Self-Assessment Tool

- Network meeting with training on new regulation on chemical substances, including requirements on protection
- External EHS steering group consulted on topic

HUMAN RIGHTS - WORKING HOURS



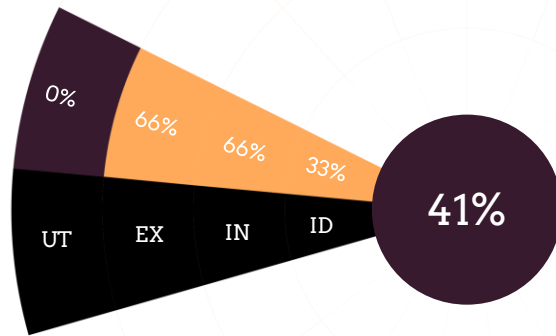
Global Compact on: Working hours

“The International Labour Organisation (ILO) sets a 48 hour workweek for commercial and industrial occupations – with a daily maximum of 10 and 8 hours respectively – to ensure time for rest and leisure. For work processes that must be conducted continuously on a shift basis a maximum workweek of 56 hours is permitted. Overtime should be voluntary, infrequent and should not exceed 12 hours per week or 36 hours per month.”

Source: Global Compact Self-Assessment Tool

- Policy on working hours stated in GN handbook
- Introduced Timelog system to register all hours worked and allow for flex time and counterbalance overtime
- Plenum and individual consultations with employees on working hours

HUMAN RIGHTS – WAGES AND BENEFITS



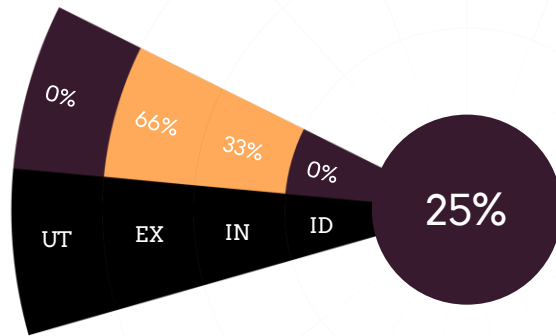
Global Compact on: Wages and benefits

“Wages must be paid on time and enable workers to meet their basic needs and provide some disposable income. Minimum wages may be fixed by law or collective agreement but are in many countries not sufficient to meet employees' basic needs. If the company has piece-rate payment structures, these must also meet living wage requirements. Where the national minimum wage level does not meet workers' basic needs, companies should calculate a 'living wage...”

Source: Global Compact Self-Assessment Tool

- Individual bonus scheme replaced with disclosed collective bonus scheme, w. collaboration incentives
- Policy for working from home is now specified in employee handbook
- GN provides lunch, partial employee payment over salary

HUMAN RIGHTS - LEAVE



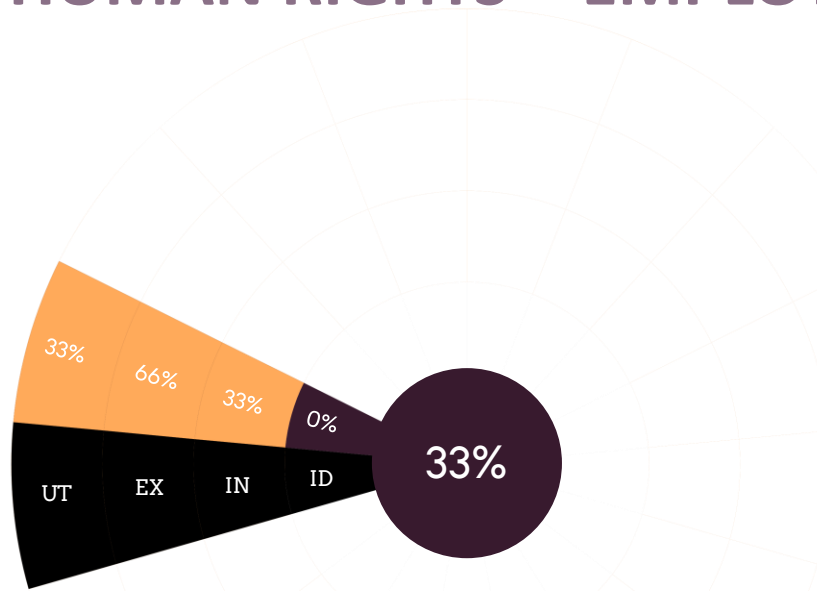
Global Compact on: Leave

"The company must ensure that all workers are granted paid annual holiday and sick leave for the period determined by the competent authority in the country of operation. International Labour Organisation standards require all workers to be granted a minimum of no less than three weeks of holiday per year. Moreover, a minimum of 14 weeks, or more if provided by law, should be granted for paid maternity leave."

Source: Global Compact Self-Assessment Tool

- Maternity leave mentioned in employee handbook w. reference to regulation
- GN employees are granted a day off for childrens first sickday and policy is stated in employee handbook
- Adding to the 5 mandated by law, GN offers a 6th week of paid holiday leave

HUMAN RIGHTS – EMPLOYMENT STATUS



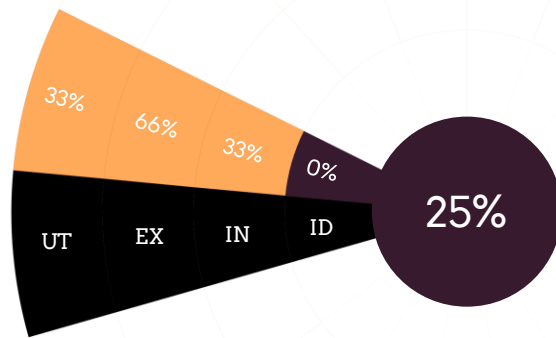
Global Compact on: Employment status

“All workers are entitled to know their employment status with the company and the working conditions. The risk of exploitative labour practices increases when a company exploits an individual without recognizing or acknowledging his or her employment status within the company (either as an employee, a hired labourer or otherwise) and without providing him/her with the same employment benefits and protections as the other workers”

Source: Global Compact Self-Assessment Tool

- All GN employees are covered by standard employment contracts, compliant with regulation
- The contracts cover employee rights and GN’s responsibilities as an employer
- Contracts on external advisors, students and other temporary employment

HUMAN RIGHTS – PRODUCT STEWARDSHIP



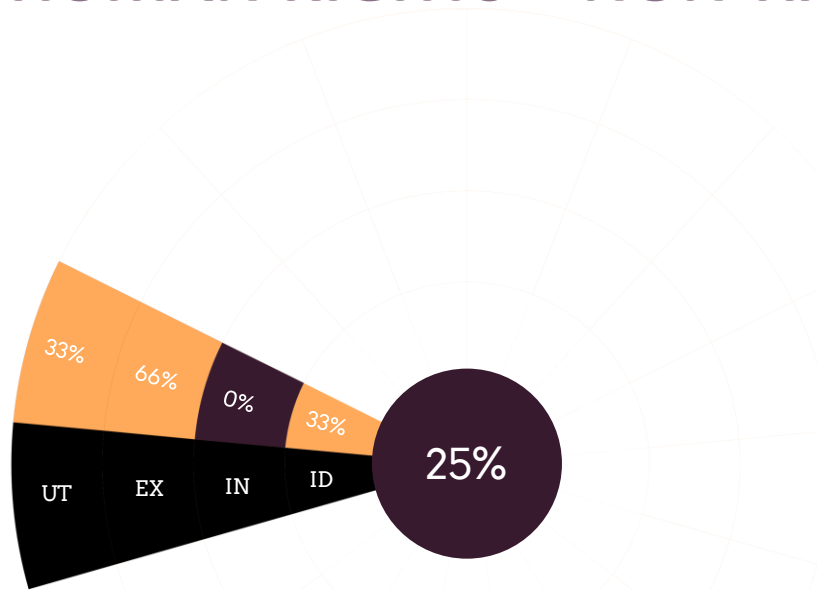
Global Compact on: Product stewardship

“Product stewardship with regard to human rights entails that the company protects consumers, users and others against hazards to human rights, including health, life, privacy and other impacts, which may result from the manufacturing, marketing, usage and disposal of a given product. Product-related hazards to human rights may arise due to product defects or side-effects or due to improper use of the product or use of the product for unintended purposes.”

Source: Global Compact Self-Assessment Tool

- Product stewardship is an implicit topic in multiple GN network events
- GN product responsibility insurance on 10 million DKK
- Specific descriptions of what GN services/products entail in contracts and agreement documents with customers
- CSR capacity measurement

HUMAN RIGHTS – NON-HARASSMENT



Global Compact on: Non-harassment

“Workplace harassment encompasses many types of behaviour, including assault, physical and sexual harassment or threats, and workplace bullying and intimidation. To protect workers against such acts, the company should implement prevention policies, facilitate open communication, provide training, and allow workers to report incidents of harassment to a complaint mechanism that fully investigates the reports and responds accordingly..”

Source: Global Compact Self-Assessment Tool

- Completed work place environment assessment (APV) for GN (mandatory), which address non-harassment
- Event for network business partners on the psychic work place environment and stress the 28.09.2017
- CSR capacity measurement

HUMAN RIGHTS – 2018 AMBITIONS

- **HUMAN RIGHTS - OVERALL:** Continue efforts to identify basis for collaboration with The Human Rights Institute
- **WORKING HOURS:** GN will introduce resource allocation with Timelog in 2018 to balance work load

LABOUR RIGHTS – SUB-TOPICS AND HIGHLIGHTS

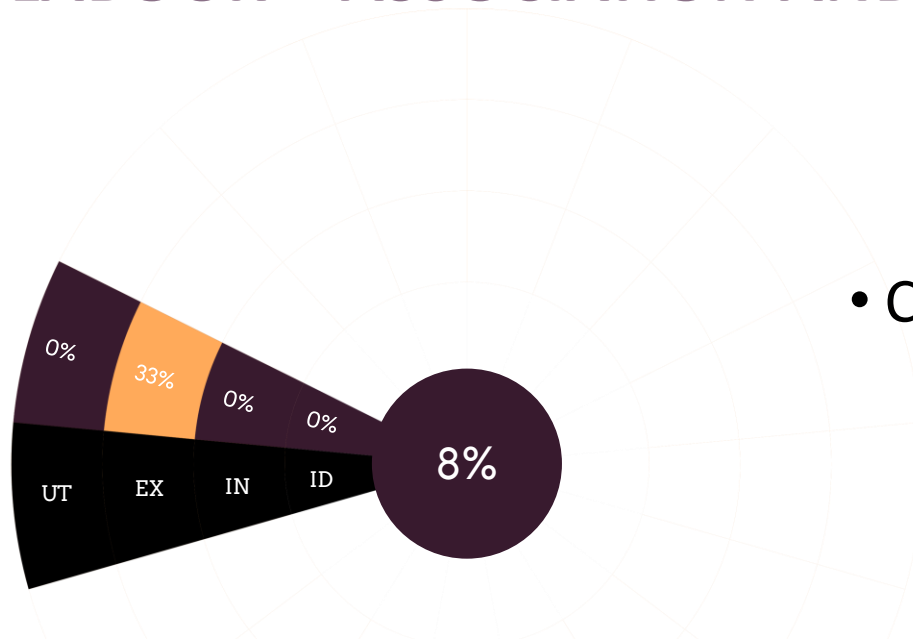
MATERIAL SUB-TOPICS

- ASSOCIATION AND BARGAINING
- FORCED LABOUR
- CHILD LABOUR AND YOUNG WORKERS
- DISCRIMINATION

2017 HIGHLIGHTS

- EHS steering group for GN business partners established – mandata to chose topics for EHS focused network meetings
- Performing multiple networking events on Labour Rights issues
- Introducing CSR capacity measurements (incl. Labour Rights) to business partners
- Introduction of GN Handbook for employess with policies and on multiple Labour Rights issues

LABOUR – ASSOCIATION AND BARGAINING

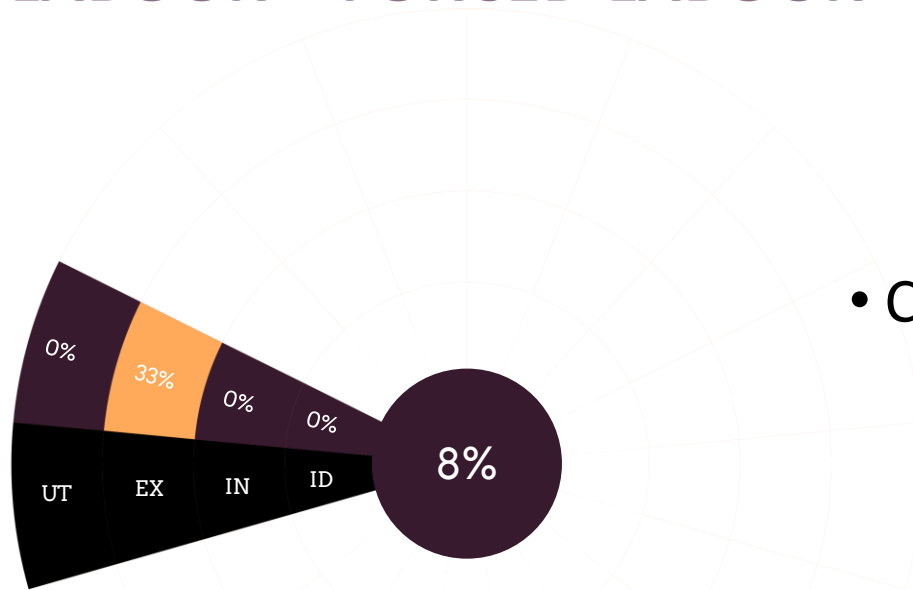


- CSR capacity measurement

Global Compact on: Association and bargaining

“Workers must be allowed to form and/or join worker organisations of their choice. The company must allow such organisations and their representatives to function independently without interference and with reasonable access to the information, resources, and facilities necessary to carry out their functions. The company must also respect the right of workers to bargain collectively. Under no circumstances may the company terminate employees or discriminate against them in retaliation for exercising trade union rights.” Source: Global Compact Self-Assessment Tool

LABOUR – FORCED LABOUR



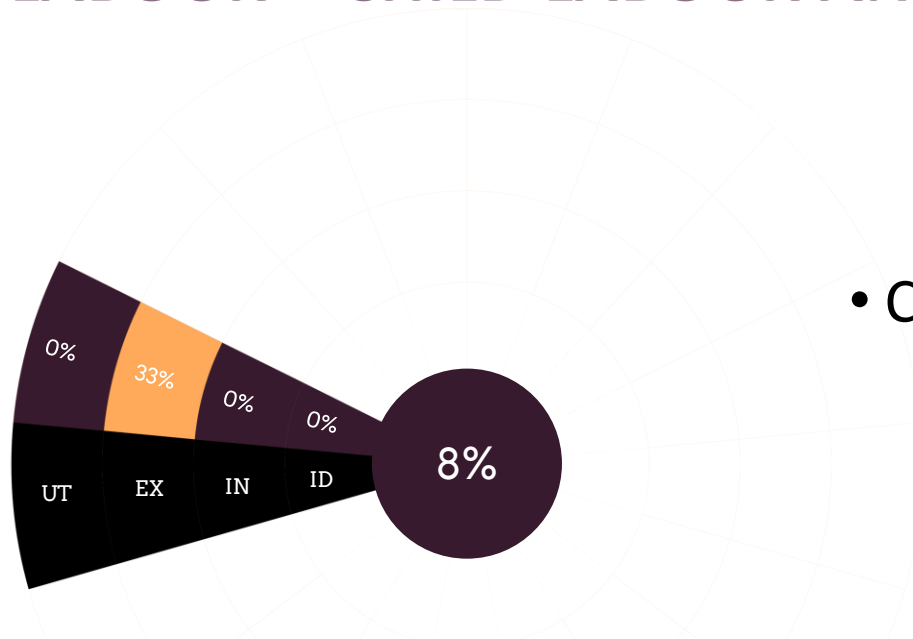
- CSR capacity measurement

Global Compact on: Forced labour

“Forced or bonded labour is work performed involuntarily under threat of penalty. Certain employment practices may lead to a situation of bonded labour. This includes for example compelled overtime, human trafficking, lack of free movement, debt bondage or retention of personal documents. The company should make sure that such practices are prevented and that fair and transparent employment contracts are issued for all employees.”

Source: Global Compact Self-Assessment Tool

LABOUR – CHILD LABOUR AND YOUNG WORKERS



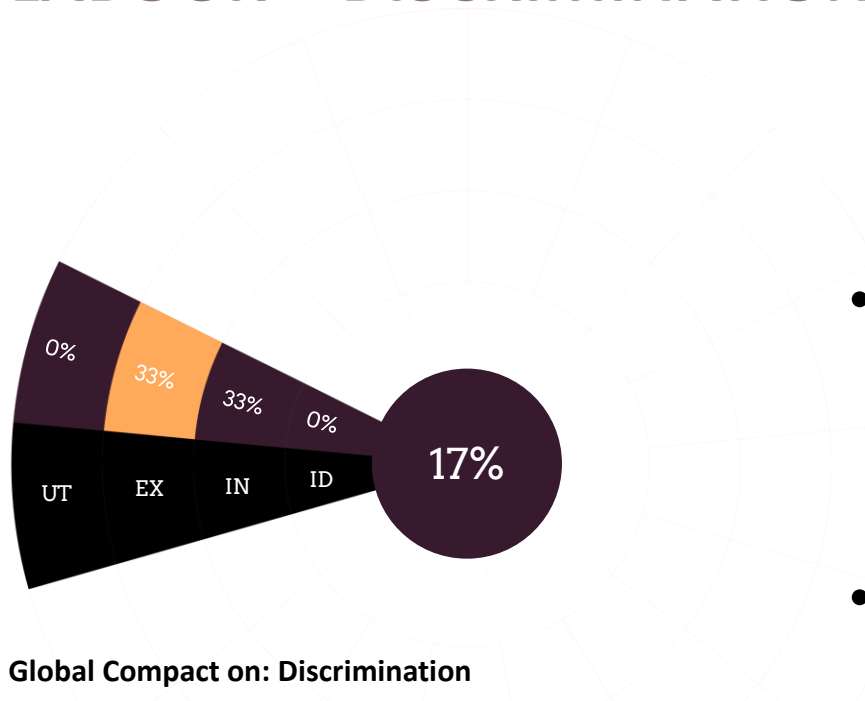
- CSR capacity measurement

Global Compact on: Child labour and young workers

“Children are entitled to the basic right of an education, and must not be hired for full-time work before completing their compulsory education. The age for completion of education and the minimum age for entry into employment are both determined by the national government in the country of operation. Under International Labour Organisation (ILO) standards, the minimum age for entry into full-time employment should be no younger than 15, or 14 if the country is subject to an exception.

Source: Global Compact Self-Assessment Tool

LABOUR – DISCRIMINATION



Global Compact on: Discrimination

“Discrimination can include any distinction, exclusion or preference made on the basis of illegitimate distinguishing personal characteristic. The grounds for discrimination that are recognised and prohibited under international human rights law include gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disability, organisational membership, opinion, health status (including HIV or AIDS status), sexual orientation, marital status, birth, or civic, social, or political characteristics of the employee.”

Source: Global Compact Self-Assessment Tool

- GN employee handbook has a section on the GN work culture which addresses non-discrimination
- CSR capacity measurement

LABOUR RIGHTS – 2018 AMBITIONS

- **LABOUR RIGHTS - OVERALL:**

- Extend the collaboration with Danish Initiative for Ethical Trade on joint events
- Integrate labour rights in in the employee handbook

ENVIRONMENT – SUB-TOPICS AND HIGHLIGHTS

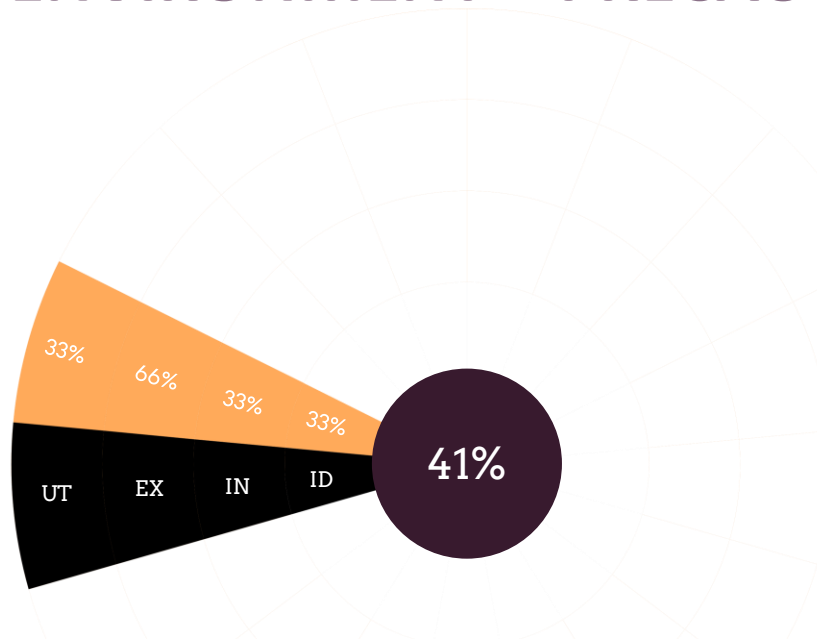
MATERIAL SUB-TOPICS

- PRECAUTIONARY APPROACH
- WASTE MANAGEMENT
- AIR EMISSIONS
- ENVIRONMENTALLY FRIENDLY TECHNOLOGIES
- WATER AND WASTE WATER
- NATURAL RESOURCES

2017 HIGHLIGHTS

- EHS steering group for GN business partners established – mandata to chose topics for EHS focused network meetings
- Performing multiple networking events on Environment issues
- Introducing CSR capacity measurements (incl. Environment) to business partners
- Introduction of GN Handbook for employess with policies related to environment issues

ENVIRONMENT – PRECAUTIONARY APPROACH



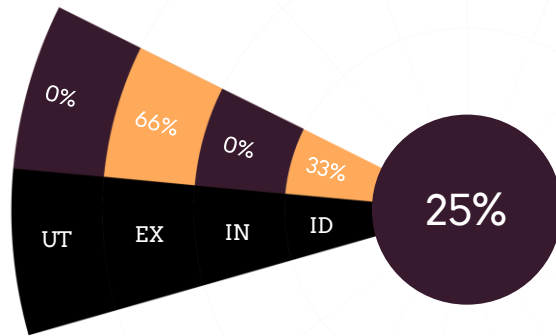
Global Compact on: Precautionary approach

"The 1992 Rio Declaration describes the precautionary approach as follows: "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation". The company has a responsibility to protect the environment (and the public) where scientific investigation discovers a plausible risk of exposure and harm"

Source: Global Compact Self-Assessment Tool

- 11 environment statements reviewed for partner companies
- Event for network business partners on chemical substances, addressing a precautionary approach
- CSR capacity measurement

ENVIRONMENT – WASTE MANAGEMENT



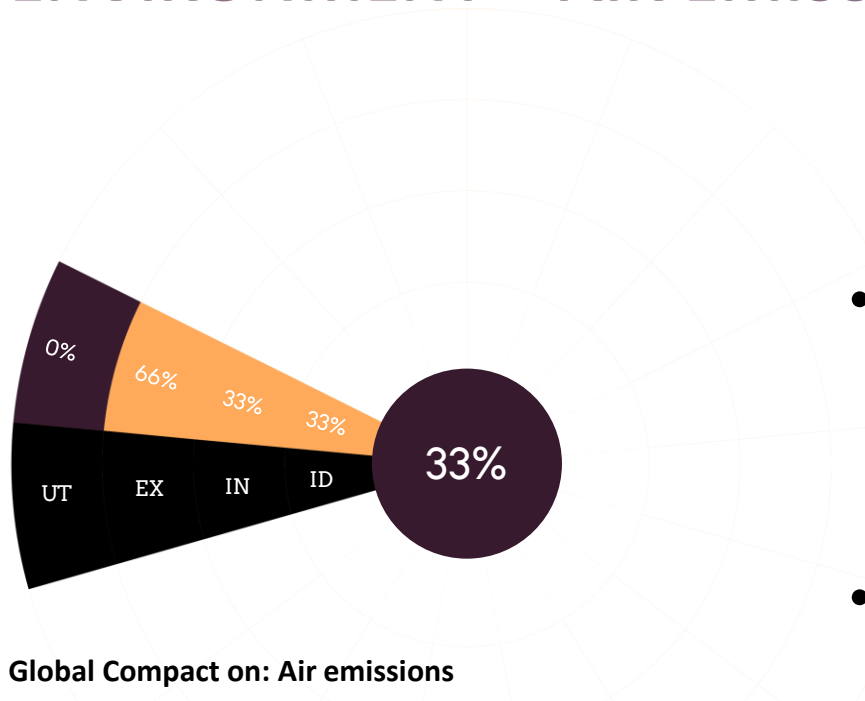
Global Compact on: Waste management

"According to the "waste hierarchy", waste should be reduced, reused and recycled as much as possible. The company should take measures to ensure that waste is sorted into fractions, e.g. paper, packaging, biodegradable waste. Waste that cannot be reused or recycled should be treated e.g. at incineration plants or disposed of at controlled landfill sites."

Source: Global Compact Self-Assessment Tool

- Seminar on Circular Economy and waste treatment 2nd of Nov. 2017. Participants app. 30 companies.
- Participation in seminar on New Waste Management Plan 2020 by the Danish Environmental Agency 14th of dec 2017
- CSR Capacity Measurements

ENVIRONMENT – AIR EMISSIONS



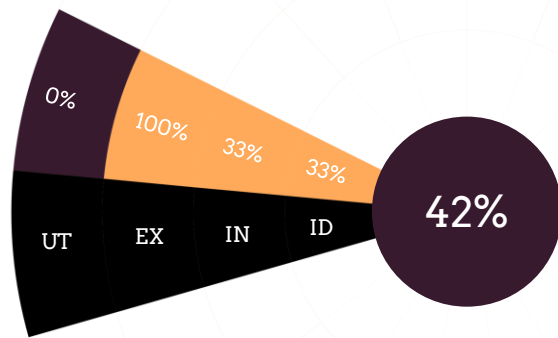
Global Compact on: Air emissions

"Emissions of pollutants to the air can occur from a wide variety of the company's operations and activities including industrial processes, energy production and transport. Typical air pollutants are nitrogen oxides, sulphur dioxide, carbon monoxide, small particles, volatile organic compounds (VOCs) such as benzene and metals such as lead. Emissions of dioxins, and pollutants causing ozone depletion such as HCFCs should also receive attention."

Source: Global Compact Self-Assessment Tool

- Event for network business partners on chemical substances, addressing specific air emissions
- GN employee handbook encourages co-driving on customer assignments (reduce nox-emissions)
- CSR capacity measurement

ENVIRONMENT – ENVIROMENTALLY FRIENDLY TECHNOLOGIES



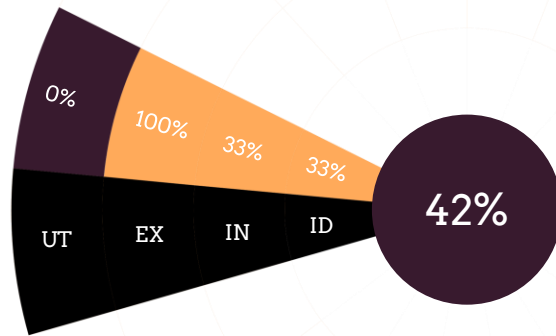
Global Compact on: Environmentally friendly technologies

"Agenda 21 of the Rio Declaration defines environmentally friendly technologies as technologies that "protect the environment, are less polluting, use all resources in a more sustainable manner, recycle more of their wastes and products, and handle residual wastes in a more acceptable manner than the technologies for which they were substitutes."

Source: Global Compact Self-Assessment Tool

- Multiple events for network business partners on sustainable business, addressing environmentally friendly technologies
- Pop-up network group on conflict minerals
- Collaboration projects with construction customers
- CSR capacity measurement

ENVIRONMENT – WATER AND WASTE WATER



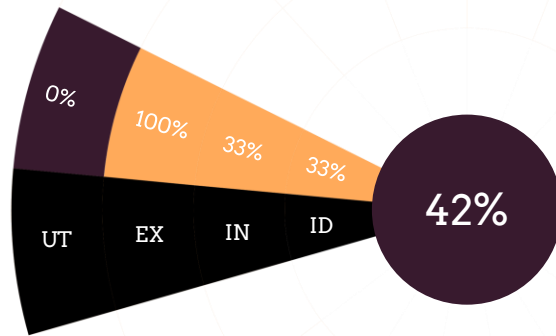
Global Compact on: Water and waste water

“Water scarcity is expected to worsen in many parts of the world as a result of factors including urbanization and population growth, increasing food production, industrialization, and climate change. Water pollution also reduces the amount of water available and a variety of company operations and activities involving water can generate waste water..”

Source: Global Compact Self-Assessment Tool

- Due Diligence training (on behalf of the Danish Business Authority) for the construction sector, water being a key issue
- Collaboration projects with customers in the construction sector on business modelling, Code of Conduct with focus on water
- CSR capacity measurement

ENVIRONMENT – NATURAL RESOURCES



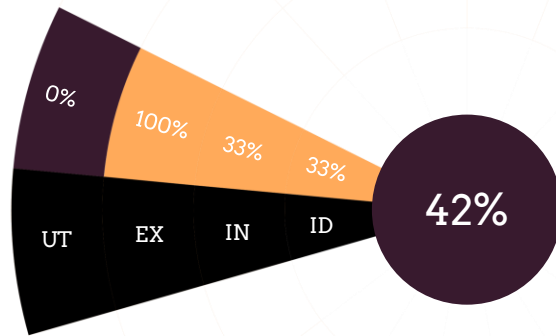
Global Compact on: Natural resources

“Some of the world’s natural resources are becoming scarce and degraded as a result of human use and should be managed with due consideration to ensure a sustainable future supply e.g. certain types of wood and fish species, metals (e.g. chromium, nickel), oil, coal etc. The company should also take measures to ensure that it prevents, minimises and remedies significant impacts related to the cultivation, harvest, extraction and/or use of natural resources”

Source: Global Compact Self-Assessment Tool

- Due Diligence training (for the Danish Business Authority) for the construction sector, wood as a natural resource being a key issue
- Collaboration projects with construction customer in on business modelling with focus on natural resources
- CSR capacity measurement

ENVIRONMENT – ENERGY CONSUMPTION AND CLIMATE CHANGE



Global Compact on: Energy consumption

“Greenhouse gases in the atmosphere absorb the sun’s energy and retain heat radiation that would otherwise be lost into space. Most greenhouse gases occur naturally but their levels have been raised artificially by emissions from vehicles, energy production and industrial activities. The company should take measures to monitor and continuously reduce its energy consumption and emission of greenhouse gases e.g. by changing procedures followed or introducing new technologies

Source: Global Compact Self-Assessment Tool

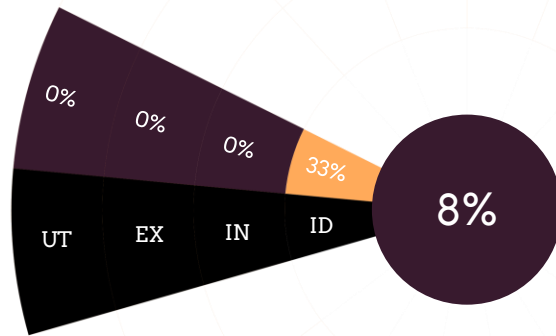
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- Due Diligence training (for the Danish Business Authority) for the construction sector, energy consumption being a key issue
- Collaboration projects with construction customer on CSR policy with focus on energy consumption
- CSR capacity measurement

ENVIRONMENT – 2018 AMBITIONS

- **ENVIRONMENT - OVERALL:**
 - Extend the collaboration with companies in the energy efficiency sector to offer network business partners new events and tools
- **ENVIRONMENTALLY FRIENDLY TECHNOLOGIES:** Replace mobile phones and selected laptops

ANTI-CORRUPTION – CORRUPTION, BRIBERY, FRAUD AND FACILITATION PAYMENT



- CSR capacity measurement

Global Compact on: Anti-corruption

"Corruption can take many forms that vary in degree from the minor use of influence to institutionalized bribery. Transparency International's definition of corruption is "the abuse of entrusted power for private gain". This can mean not only financial gain but also non-financial advantages"

Source: Global Compact Self-Assessment Tool

APPENDIX: CSR CAPACITY MEASUREMENT - STAGES

The four-stage model has been derived from management science research , which also identified three best practices associated with each stage. The more adopted for each CSR issue, the better the score.

The core of the model relies on the concept of Absorptive Capacity, which concern companies' capacity to absorb knowledge on organizational and individual level respectively. Measured and applied differently.

IDENTIFY

- 1 Consultation of stakeholders
- 2 Research and other investigative activities
- 3 Assessment or measurement of impact

INTEGRATE

- 1 Risk and opportunity analysis
- 2 Internal coordination and communication
- 3 Development of strategies, policies guidelines etc.

EXECUTE

- 1 Communication and capacity building
- 2 Selection and evaluation of business partners
- 3 Sustainability-oriented collaboration with business partners and other parties

UTILIZE

- 1 Development or innovation of sustainable products, services or processes
- 2 Compliance with stakeholder pressure, sustainability standards and legislation
- 3 Marketing and communication efforts towards stakeholders